

21ST ANNUAL REPORT 2007-2008



Vivid Chemicals Ltd.

VIVID CHEMICALS LTD.

VIVID CHEMICALS LIMITED

BOARD OF DIRECTORS

SHRI SUDHIR M.MODY	CHAIRMAN
SHRI SUMISH S.MODY	WHOLETIME DIRECTOR
SHRI RAGHUNATH T.SHEDGE	DIRECTOR
SHRI MANOJ KUMAR CHAUHAN	DIRECTOR
SMT. ASHA MODY	DIRECTOR
SHRI DHARMESH D.CHOKSI	DIRECTOR (PART OF THE YEAR)

BANKERS :

BANK OF BARODA,
BACKBAY RECLAMATION BRANCH, MUMBAI-400 020.

AUDITORS :

M/S. K.M. KAPADIA & ASSOCIATES
SHOP NO.49, 1ST FLOOR
ASHOKA SHOPPING CENTRE
L.T. MARG, MUMBAI-400 001.

REGISTERED OFFICE :

D-21/1, M.I.D.C. TARAPUR 401 506
VIA BOISAR, DIST.THANE.

ADMINISTRATIVE OFFICE :

C/O.SUMICHEM CORPORATION
1-D, DHANNUR BUILDING,
SIR P.M.ROAD, FORT, MUMBAI 400 001.
E-mail ID : vividchem@yahoo.com

REGISTRARS & SHARE TRANSFER AGENTS :

REGD.OFFICE:

SHAREPRO SERVICES
SATAM ESTATE, 3RD FLOOR,
ABOVE BANK OF BARODA,
CARDINAL GRACIOUS ROAD, CHAKALA,
ANDHERI (E), MUMBAI-400 099.

INVESTOR RELATION CENTRE:

912, RAHEJA CENTRE,
FREE PRESS JOURNAL ROAD,
NARIMAN POINT, MUMBAI-400 021.

VIVID CHEMICALS LTD.**NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the Vivid Chemicals Limited, will be held at Plot No. D-21/1, M.I.D.C., Tarapur, Via Boisar, Dist. Thane on Wednesday 17th September 2008 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir Mody, who retires by rotation and being eligible, offers himself for re appointment.
3. To appoint a Director in place of Mr. Manoj Kumar Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Dharmesh Choksi who was appointed as an Additional Director of the Company pursuant the Section 260 of the Companies Act, 1956 and Article 115 of the Article of Association of the Company, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company.

6. To Consider, and if thought fit, to pas with or without modifications, the following resolution, as a Special Resolution:

"RESOLVED THAT in pursuance of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 the name of the Company be changed from Vivid Chemicals Limited to Vivid Global Industries Limited.

RESOLVED FURTHER THAT the name of Vivid Chemicals Limited wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name Vivid Global Industries Limited.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.

For and on behalf of the Board of Directors

SUDHIR M. MODY
CHAIRMAN

REGISTERED OFFICE :

D-21/1 M.I.D.C.,
Tarapur, Via Boisar,
Dist. Thane

Dated : 12th August, 2008.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the share transfer books will remain closed from 13th September, to 17th September, 2008 both days inclusive.
4. Members desiring to seek further information or clarifications on the Annual Accounts or operations of the Company at the meeting are requested to send their queries so as to reach the Registered Office at least 10 days in advance of the date of meeting to enable the management to keep the information ready.
5. Members are requested to bring their copies of Annual Report and Account to the Meeting.
6. Members are requested to notify immediately any change in their address to the Companies Registrar and Share Transfer Agents M/s Sharepro Services at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Graculous Road, Chakala, Andheri (East) Mumbai 400 099 or at 912, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.

VIVID CHEMICALS LTD.**Explanatory Statement under Section 173 of the Companies Act, 1956****Item No. 5**

Mr. Dharmesh Choksi was appointed Additional Director of the Company with effect from 21st April, 2008.

In terms of Section 260 of the Companies Act, 1956 Mr. Choksi will hold office only up to the conclusion of the ensuing Annual General Meeting. Notices have been received from some shareholders, proposing the candidature of Mr. Choksi for the office Director in accordance with the provisions of section 257 of the Companies Act, 1956.

The Board considers it desirable that the Company continues to avail of the services of Mr. Choksi and commends resolution 5 for acceptance by the Members.

None of the Directors except Mr. Dharmesh Choksi, is concerned or interested in the Resolution at item No. 5.

Item No.6

The Company was incorporated in 1987 as "Vivid Chemicals Pvt. Limited" and changed to Vivid Chemicals Ltd. on 06.01.1994 and over the past years Vivid has made a name for itself in the industry.

The Company now intends to diversify into various related businesses apart from only Chemicals and therefore feels that the name should also be generalized and not restricted to chemicals alone, in view of the fact that name of the Company is the most important identity of the organization and reflects its personality it is proposed to drop the word "Chemicals" from the name of the Company and the new name proposed is "Vivid Global Industries Limited", which retains the goodwill of the name "Vivid" and is not constrained by any other definitive word.

Under Section 21 of the Companies Act, 1956, Company can, by a Special Resolution and with approval of Central Government, change its name and hence the resolution is proposed for your approval.

The Board commends the resolution at Item No. 6 for approval of members. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

For and on behalf of the Board of Director

SUDHIR M. MODY
CHAIRMAN

REGISTERED OFFICE :
D-21/1 M.I.D.C.,
Tarapur, Via Bolar, Dist. Thane

Dated : 12th August, 2008.

DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS :

	31 st March, 2008	(Rs.in lacs) 31 st March, 2007
Net Sales/Income from Operations excluding Excise & Sales Tax	591.92	453.98
Profit/(Loss) before Depreciation & Interest	38.52	(43.09)
Less :Depreciation	19.15	19.15
Less: Interest	8.81	10.16
	10.56	(13.78)
Less: Prior years adjustments	0.15	49.53
Net Profit/(Loss) before Tax	10.41	(63.31)
Add Extra Ordinary items	1.85	3.00
Less Provision for taxation	—	—
Less Provision for Fringe Benefit tax	0.24	0.19
Profit/ (Loss) for the year	12.02	(60.50)
Add/(Less) Profit /Loss Brought Forward	(296.50)	(236.00)
Balance Carried to Balance Sheet	(284.49)	(296.50)

OPERATIONS :

During the year under review the Company has recorded a total Income of Rs. 616.04 Lacs as compared to Rs. 480.83 Lacs for the previous year. Increased pollution control measures and reduction in subsidies have raised the price of Chinese goods and this has given an edge to your company's products. The company has also obtained big orders from multi national companies and this has tremendously improved the turnover. Barring unforeseen circumstances, your Directors are optimistic about the current year.

VIVID CHEMICALS LTD.**DIVIDEND :**

In view of the adverse financial position of the Company your Directors do not recommend any dividend.

DIRECTORATE :

Mr. Sudhir Mody and Mr. Manoj Kumar Chauhan retire by rotation and being eligible offers themselves for re-appointment. Mr. Dharmesh Choksi was appointed as an Additional Director of the Company on 21st April 2008. By virtue of the provision of Section 260 of the Company's Act 1956, he shall hold office only upto the conclusion of this Annual General Meeting. The Company has received Notice in writing from members of the Company proposing his appointment as Director in accordance with Section 257 of the Companies Act, 1956.

FIXED DEPOSIT :

The Company has not accepted any Deposit which attracts the provisions of Section 58A of the Companies Act, 1956.

AUDITORS :

The present statutory auditors M/s K. M. Kapadia & Associates, Chartered Accountants retire at the close of this Annual General Meeting and are eligible for re-appointment. The Company has received the consent and eligibility certificate from them. The Directors therefore recommend the re-appointment of M/s. K. M. Kapadia & Associates, Chartered Accountants as Auditors of the Company.

PARTICULARS OF EMPLOYEES :

None of the employees of the Company draws remuneration more than the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The Directors have prepared the annual accounts on a "going concern basis".

CORPORATE GOVERNANCE :

Pursuant to Clause 49 to the Listing Agreement with the Stock Exchange a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of this Report.

INDUSTRIAL RELATIONS :

The relations with the employees have remained cordial.

ACKNOWLEDGEMENTS :

Your Board of Directors would like to place on record its sincere appreciation for the whole hearted support and contributions made by Auditors, Banks, Financial Institutions, Suppliers and other Business Associates towards the conduct of the operations of the Company.

For and on behalf of the Board of Director

SUDHIR M. MODY
CHAIRMAN

INFORMATION AS PER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2008

A) CONSERVATION OF ENERGY :

- a. Though the Company's manufacturing operations do not involve substantial energy consumption the Company has taken adequate steps to improve energy utilization wherever possible.
- b. ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY. No additional investments made during the year.
- c. IMPACT OF THE ABOVE MEASURES : NIL
- d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.
"Form - A" not applicable.

B). TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- a. The company is examining possibilities of new technology to improve the quality of its products.
- b. Imported Technology :

No technology was imported by the company during the year under review .

c). FOREIGN EXCHANGE EARNINGS AND OUTGO :-

- (a) Activities relating to export, initiative taken to increase exports, development of new export markets for products and service and export plant:

During the current year the Company has exported its products to Far East Countries. Efforts are being made to develop new markets and the Company expects substantial increase in export during the current year.

- (b) Total Foreign Exchange Earned.

Used Rs. 1,94,70,302

Earned Rs. 2,76,75,255

For and on behalf of the Board of Director

PLACE : MUMBAI

DATE: 12th August, 2008.

SUDHIR M. MODY
CHAIRMAN

VIVID CHEMICALS LTD.**MANAGEMENT DISCUSSION AND ANALYSIS**

- A) **Industry Structure and Development :**
The Company is engaged in the business of producing intermediate dyes and trading in dyes based on a basic raw material Tobias Acid and J. Acid, which is imported from China. With the import of the basic raw material, the Company carries out processing activities on job work basis and produces the various dyes and dye intermediates.
- B) **Opportunities and Threats**
The Company is finding a good market for its range of products in the developing Asian Countries. This growth in market share has been achieved despite difficult local and global economic circumstances. One of the main threats faced by the Company are the availability of cheaper products from China.
- C) **Segment-wise Performance**
The Company has only one business segment viz dye intermediates and dyes and hence product-wise performance is not provided.
- D) **Outlook**
The outlook for the Company's business depends on the Cotton textile industry since majority of the Company's products are used in cotton fabrics. Recent times have seen a reversal of trends from synthetic to cotton fabrics and with the increase in demand for cotton the Company has a tremendous potential for growth.
- E) **Risk and Concerns**
Globalised competitive scenario in Dyes and raw materials and dumping of low price products from the Chinese markets are the major areas of risk and concern for your Company. Any unfavourable trends in the import tariffs on key raw materials may have adverse impact on the cost and selling prices thereby putting pressure on the margins.
- F) **Internal Control Systems and their Adequacy**
The Company has satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.
- G) **Human Resources**
There has been no material development on the Human Resource / Industrial relations front during the year.

Report on Corporate Governance

(pursuant to clause 49 of Listing Agreement)

1. Company's Philosophy on code of Governance:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company is aiming at efficient conduct of the business in meeting its obligations to the shareholders.

The Company has adopted a Code of Conduct as required under clause 49 of the listing Agreement with the stock Exchanges. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2008.

The relevant standards of Corporate Governance have been fully complied with by the Company.

2. Board of Directors :**Composition and size of the Board**

The present strength of the Board is 6. The Board comprises of a Whole- time Director. The rest are Non – Executive Directors.

The size and composition of the Board conforms with the requirements of Corporate Governance under the Listing Agreement with the Stock Exchange and applicable laws. The Independent Non Executive Directors of the Company do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board may affect independence of judgement of the Directors. Non-Executive Directors are not paid any remuneration.

No. of Board Meetings held during the year along with the dates of meeting

In the financial year 2007 – 2008, the Board met Eight times. The Board meetings were held on

(1) 21st April 2007 (2) 29th April, 2007, (3) 13th June, 2007, (4) 28th July, 2007, (5) 28th August 2007, (6) 17th October, 2007 (7) 07th December, 2007 (8) 23rd January, 2008.

Attendance of Directors at Board Meeting and last Annual Meeting.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship, committee memberships and chairmanships held by them, are given below:

Directors	Category	Shares held	Attendance Particulars		No. of other Directorship and Committee Membership/ Chairmanship held		
			Board Meeting	Last AGM	Director-Ships	Committee Memberships	Committee Chairmanships
Mr. Sudhir Mody	C	700	8	Yes	Nil	Nil	Nil
Mr. Sumish Mody	WTD	335830	8	No	2	1	Nil
Mr. Manoj Kumar Chauhan	NED	Nil	6	N.A.	Nil	1	1
Mrs. Asha Mody	NED	375540	6	N.A.	2	1	Nil
Mr. Raghunath Shedge	NED	Nil	8	Yes	3	1	1
Mr. Dharmesh Choksi (part of the year)	NED	Nil	N.A.	N.A.	Nil	Nil	Nil

VIVID CHEMICALS LTD.

C: Chairman; MD: Managing Director; WTD: Wholetime Director; NED: Non Executive Director

Directors who are Chairpersons of Committee have been included in the list of members as well.

The Board periodically reviews compliance Reports of all laws applicable to the company as well as steps taken by the Company to rectify instances of non-compliances, if any.

The Brief Profile of Director being appointed/re-appointed (pursuant to Clause 49 of the Listing Agreement) :

1. Name of the Director	Mr. Sudhir Mody	Mr. Manoj Kumar Chauhan	Mr. Dharmesh Choksi
2. Date of Birth	26.10.1945	02.05.1968	18.08.1975
3. Date of Appointment	26.06.1987	23.01.2006	21.04.2008
4. Experience in specific areas	More than 35 years experience in field of Dyes & Dye Intermediates.	He has been looking after plant maintenance.	He has 5 years experience in Jewellery business in administration and organization.
5. Qualifications	M.S. in Chemical Engineering from Cleveland state University U.S.A.	S.S.C	B.Com
6. Directorships in other Companies	NIL	NIL	NIL
7. Membership of committees	NIL	NIL	NIL

3 Audit Committee:

Terms of reference, Composition:

The terms of reference of this committee covers the matters specified for Audit committee under Clause 49 of the Listing Agreement. The Chairman of the Audit committee is Mr. Raghunath Shedge, an independent director.

Audit Committee meetings were held on

(1) 29th April, 2007 (2) 28th July, 2007 (3) 17th October, 2007 (4) 23rd January, 2008.

The composition of audit Committee and attendance at its meetings is given hereunder:

Member	Position	No. of Meetings attended
Mr. Raghunath Shedge	Chairman	4
Mr. Manoj Kumar Chauhan	Member	4
Mrs. Asha Mody	Member	4

The Chairman and the statutory auditors were the invitees to the above meetings.

4. Remuneration of Directors

The Board has not set up a remuneration committee. The Wholetime Director has been paid remuneration of Rs. 90,000 during the year.

5. Shareholders Grievance Committee

The Shareholders Grievance Committee comprises of two independent Directors Mr. Raghunath Shedge and Mr. Manoj Kumar Chauhan. Mr. Manoj Chauhan is the Chairman of the Shareholders' Committee. Mr. Sudhir Mody is the compliance officer. There are a few complaints that have remained un-redressed. However the Directors are trying to resolve the same at the earliest.

6. General Body Meetings

The details of General Meetings held during last three year are as under:-

Financial Year	Day and Date	Time
2006-2007	Saturday 29/09/07	11.00 a.m.
2005-2006	Friday 29/09/2006	11.00 a.m.
2004-2005	Wednesday 28/09/2005	11.00 a.m.

7. Location :

All the above General Meetings were held at the Company's Registered Office at D- 21/1 M.I.D.C., Tarapur, Via Boisar, Dist. Thane

8. Business

During the last year, there was no business, which had to be conducted through a postal ballot. At present, the Company does not have an resolution to be decided by the members by postal ballot.

9. Disclosures

There are no related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval. The transactions with the related parties are disclosed in the notes to accounts in the Annual Report.

During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India. The Company's shares had been delisted from the Stock Exchanges for various non-compliance of matters relating to the capital market. Your Directors had taken up the matter with the stock exchange and the suspension has been revoked with effect from 23rd July 2008. The company's shares are now regularly traded on the stock exchange.

10. Means of Communication

- The financial results of the Company are published in widely circulating National dailies such as Free Press Journal and Nav-shakti. These are not sent individually to the shareholder.
- The Company's results or official news are not displayed on the Company's web site. There were no presentations made to the institutional investors or to the analysts.
- The Management Discussion and Analysis Report forms a part of this Annual Report.

VIVID CHEMICALS LTD.**11. General Shareholder Information**

a. AGM Day, Date, Time	Wednesday , 17 th September, 2008 at 11a.m.
Venue	D/21/1 M.I.D.C., Tarapur, Via Bolsar, Dist.Thane
b. Financial Calendar	01.04.2008 to 31.03.2009
c. Un- Audited Financial Results	1 st Quarter Last Week of April
	2 nd Quarter Last Week of July
	3 rd Quarter Last Week of October
	4 th Quarter Last Week of January
d. Book Closure Period	13.09.08 to 17.09.08
e. Dividend Payment Date	Not Applicable

f) High/ Low market prices of the Company shares traded on Stock Exchange, Mumbai

The Shares of the Company are not traded frequently on the Stock Exchange. Hence , monthwise high and low market prices of shares are not exhibited.

g) Listing on stock Exchanges at :

The Equity Shares of the Company are listed at the following Stock Exchanges:-

The Stock Exchange, Mumbai, Phiroze Jeebhoy Tower, Dalal Street, Mumbai 400 001.

h) Stock/Company/Security/Common Code:

The Stock Exchange, Mumbai

B.S.E. Code: 524576

i) Registrar and Transfer Agents

In compliance with the SEBI Directive for all listed Companies to have a common agency to handle physical and electronic share registry work the Company has appointed M/s Sharepro Services as the Registrar and Transfer Agents. Accordingly all documents, transfer Deeds, Demat requests and other communications in relation thereto should be addressed to the R & T at it's offices at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East) Mumbai 400 099 or at 912 Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. However due to de listing of the Company's shares the Registrars have not been completing the procedure for Share transfers. Officers of the Registrars and Transfer Agents have been authorised to approve transfers in addition to the officers of the Company.

Distribution of Shareholding as on 31st March, 2008

No. of Shares	No of Holders	%to total	No. of Share	% to total
1 to 500	2942	83.722	606192	14.834
501 to 1000	304	8.651	244676	5.987
1001 to 2000	104	2.960	158403	3.876
2001 to 3000	49	1.394	124801	3.054
3001 to 4000	20	0.569	71437	1.748
4001 to 5000	19	0.541	88525	2.166
5001 to 10000	41	1.167	300671	7.372
100001 & above	35	0.996	2491195	60.962
	3514	100.000	4085900	100.000

Shareholding Pattern of the Company as on 31st March, 2008

Sr. No.	Holders	Physical Form	Electronic Form	Total No. of Shares	% of Total
1.	Promoters	1822550	6800	1829350	44.77
2	NRIs / OCBs	0	1300	1300	0.03
3	Bodies Corporate	49200	70036	119236	2.92
4	Financial Institution	600	-	600	0.02
5	Indian Public	995120	1140294	2135414	52.26
	Total	2867470	1218430	4085900	100.00